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9 **BEFORE THE**
REGISTRAR OF CONTRACTORS
10 **CONTRACTORS' STATE LICENSE BOARD**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

12 In the Matter of the Accusation Against:

Case No. N2015-359

13 **S C ANDERSON GROUP INTERNATIONAL INC**
14 **DBA ANDERSON GROUP INTERNATIONAL**
15 **P. O. Box 80306**
Bakersfield, CA 93380

A C C U S A T I O N

16 **STEVEN SCOTT ANDERSON, RMO**
17 **STEVEN CURTIS ANDERSON, Officer**

18 **Contractor's License No. 778068, B, C-10**

19
20 **Affiliated Licenses:**

21 **DIVERSIFIED UTILITY SERVICES INC**
22 **P. O. Box 80417**
23 **Bakersfield, CA 93380**

24 **LEIGH ANN ANDERSON, RMO (B)**
25 **STEVEN CURTIS ANDERSON, RMO (A)**
STEVEN SCOTT ANDERSON, RMO (C10)

26 **Contractor's License No. 737022, A, B, C10**
27
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Affiliated Licenses: (Cont'd)

NOISE CONTROL CORPORATION
P. O. Box 81774
Bakersfield, CA 93380

ROD OLSON, RMO (A)
LEIGH ANN ANDERSON, RMO (B)
STEVEN CURTIS ANDERSON, Officer
STEVEN SCOTT ANDERSON, Officer

Contractor's License No. 715512, A, B

T I SERVICES INC
2160 Mars Court
Bakersfield, CA 93308

STEVEN CURTIS ANDERSON, RMO
LEIGH ANN ANDERSON, Officer
STEVEN SCOTT ANDERSON, Officer

Contractor's License No. 495439, B, C61/D27

S C ANDERSON INC
P. O. Box 81747
Bakersfield, CA 93380

STEVEN CURTIS ANDERSON, RMO (C61/D34,
C8)
ROD OLSON, RMO (A)
LEIGH ANN ANDERSON, RMO (B)

Contractor's License No. 441769, A, B, C8, C10,
C61/D34

Respondent.

Complainant alleges:

PARTIES

1. Wood Robinson (Complainant) brings this Accusation solely in his official capacity as the Enforcement Supervisor I of the Contractors' State License Board, Department of Consumer Affairs.

2. On or about May 1, 2000, the Registrar of Contractors issued Contractor's License Number 778068, Classifications B (general building contractor) and C10 (electrical - general), to S C Anderson Group International Inc, dba Anderson Group International; with Steven Scott Anderson as RMO, and Steven Curtis Anderson, Officer (Respondent). The Contractor's License

1 was in full force and effect at all times relevant to the charges brought herein and will expire on
2 May 31, 2018, unless renewed.

3 **Affiliated Licenses:**

4 3. On or about June 11, 1997, the Registrar of Contractors issued Contractor's License
5 Number 737022, Classifications A (general engineering contractor), B (general building
6 contractor), and C10 (electrical – general) to Diversified Utility Services Inc; Leigh Ann Anderson,
7 RMO (B); Steven Curtis Anderson, RMO (A); Steven Scott Anderson, RMO (C10). The
8 Contractor's License was in full force and effect at all times relevant to the charges brought herein
9 and will expire on June 30, 2017, unless renewed.

10 4. On or about November 21, 1995, the Registrar of Contractors issued Contractor's
11 License Number 715512, Classifications A (general engineering contractor) and B (general
12 building contractor) to Noise Control Corporation; Rod Olson, RMO (A); Leigh Ann Anderson,
13 RMO (B); Steven Curtis Anderson, Officer. The Contractor's License was in full force and effect
14 at all times relevant to the charges brought herein and will expire on November 30, 2017, unless
15 renewed.

16 5. On or about July 18, 1986, the Registrar of Contractors issued Contractor's License
17 Number 495439, Classifications B (general building contractor) and C61/D27 (limited specialty –
18 movable partitions, pre-finished wallboard, prefabricated screens) to T I Services Inc; Steven
19 Curtis Anderson, RMO; Leigh Ann Anderson, Officer; Steven Scott Anderson, Officer. The
20 Contractor's License was in full force and effect at all times relevant to the charges brought herein
21 and will expire on July 31, 2016, unless renewed.

22 6. On or about June 22, 1983, the Registrar of Contractors issued Contractor's License
23 Number 441769, Classifications A (general engineering contractor), B (general building
24 contractor), C8 (concrete), C10 (electrical - general), and C61/D34 (limited specialty –
25 prefabricated equipment) to S C Anderson Inc; Steven Curtis Anderson, RMO (C8, C61/D34);
26 Rod Olson, RMO (A); Leigh Ann Anderson, RMO (B). The Contractor's License was in full

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1 force and effect at all times relevant to the charges brought herein and will expire on June 30,
2 2017, unless renewed.

3 JURISDICTION

4 7. This Accusation is brought before the Registrar of Contractors (Registrar) for the
5 Contractors' State License Board, Department of Consumer Affairs, under the authority of the
6 following laws. All section references are to the Business and Professions Code (Code) unless
7 otherwise indicated.

8 8. Section 7090 of the Code provides, in pertinent part, that the Registrar may suspend
9 or revoke any license or registration if the licensee or registrant is guilty of or commits any one or
10 more of the acts or omissions constituting cause for disciplinary action.

11 9. Section 7095 of the Code provides, in pertinent part, that the Registrar in making his
12 order may:

13 (a) Provide for the immediate complete suspension by the licensee of all operations as a
14 contractor during the period fixed by the decision.

15 (b) Permit the licensee to complete any or all contracts shown by competent evidence
16 taken at the hearing to be then uncompleted.

17 (c) Impose upon the licensee compliance with such specific conditions as may be just in
18 connection with its operations as a contractor disclosed at the hearing, and may further provide
19 that until such conditions are complied with, no application for restoration of the suspended or
20 revoked licensee shall be accepted by the Registrar.

21 10. Section 7097 of the Code states:

22 Notwithstanding the provisions of Sections 7121 and 7122, when any
23 licensee has been suspended by a decision of the registrar pursuant to an
24 accusation or pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or
25 7090.1, any additional license issued under this chapter [the Contractors' State
License Law] in the name of the licensee or for which the licensee furnished
qualifying experience and appearance under the provisions of Section 7068, may
be suspended by the registrar without further notice.

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1 11. Section 7098 of the Code states:

2 Notwithstanding the provisions of Sections 7121 and 7122, when any
3 license has been revoked under the provisions of this chapter [the Contractors'
4 State License Law], any additional license issued under this chapter in the name
5 of the licensee or for which the licensee furnished qualifying experience and
6 appearance under the provisions of Section 7068, may be revoked by the
7 registrar without further notice.

8 12. Section 7106.5 of the Code states, in pertinent part, that the expiration, cancellation,
9 forfeiture, or suspension of a license by operation of law, or by order or decision of the Registrar
10 or a court of law, or the voluntary surrender of the license shall not deprive the Registrar of
11 jurisdiction to proceed with disciplinary action.

12 13. Section 7076.5 of the Code provides, in pertinent part, that the inactive status of a
13 license shall not bar any disciplinary action for violating provisions of the Contractors' State
14 License Law (Bus. & Prof. Code, § 7000, et seq.).

15 14. Section 7121 of the Code states:

16 Any person who has been denied a license for a reason other than failure
17 to document sufficient satisfactory experience for a supplemental classification
18 for an existing license, or who has had his or her license revoked, or whose
19 license is under suspension, or who has failed to renew his or her license while it
20 was under suspension, or who has been a member, officer, director, or associate
21 of any partnership, corporation, firm, or association whose application for a
22 license has been denied for a reason other than failure to document sufficient
23 satisfactory experience for a supplemental classification for an existing license,
24 or whose license has been revoked, or whose license is under suspension, or
25 who has failed to renew a license while it was under suspension, and while
26 acting as a member, officer, director, or associate had knowledge of or
27 participated in any of the prohibited acts for which the license was denied,
28 suspended, or revoked, shall be prohibited from serving as an officer, director,
29 associate, partner, or qualifying individual of a licensee, and the employment,
30 election, or association of this type of person by a licensee in any capacity other
31 than as a non-supervising bona fide employee shall constitute grounds for
32 disciplinary action.

33 15. Section 7122.5 of the Code states:

34 The performance by any individual, partnership, corporation, firm, or
35 association of any act or omission constituting a cause for disciplinary action,
36 likewise constitutes a cause for disciplinary action against any licensee who at
37 the time such act or omission occurred was the responsible managing employee,
38 qualifying partner, responsible managing officer, or qualifying member of such
39 individual, partnership, corporation, firm, or association, whether or not he had
40 knowledge of or participated in the prohibited act or omission.

STATUTORY PROVISIONS

16. Section 7068.1 of the Code states:

(a) The person qualifying on behalf of an individual or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of Section 7068 shall be responsible for exercising that direct supervision and control of his or her employer's or principal's construction operations to secure compliance with this chapter and the rules and regulations of the board. This person shall not act in the capacity of the qualifying person for an additional individual or firm unless one of the following conditions exists:

(1) There is a common ownership of at least 20 percent of the equity of each individual or firm for which the person acts in a qualifying capacity.

(2) The additional firm is a subsidiary of or a joint venture with the first. 'Subsidiary,' as used in this subdivision, means any firm at least 20 percent of the equity of which is owned by the other firm.

(3) With respect to a firm under paragraph (2), (3), or (4) of subdivision (b) of Section 7068, the majority of the partners, officers, or managers are the same.

(b) Notwithstanding paragraphs (1) to (3), inclusive, of subdivision (a), a qualifying individual may act as the qualifier for no more than three firms in any one-year period.

(c) The following definitions shall apply for purposes of this section: (1) 'Firm' means a partnership, a limited partnership, a corporation, a limited liability company, or any other combination or organization described in Section 7068. (2) 'Person' is limited to natural persons, notwithstanding the definition of 'person' in Section 7025.

(d) The board shall require every applicant or licensee qualifying by the appearance of a qualifying individual to submit detailed information on the qualifying individual's duties and responsibilities for supervision and control of the applicant's construction operations.

(e) Violation of this section shall constitute a cause for disciplinary action and shall be punishable as a misdemeanor by imprisonment in a county jail not to exceed six months, by a fine of not less than three thousand dollars (\$3,000), but not to exceed five thousand dollars (\$5,000), or by both the fine and imprisonment.

17. Section 7109, subdivision (a), of the Code states:

A willful departure in any material respect from accepted trade standards for good and workmanlike construction constitutes a cause for disciplinary action, unless the departure was in accordance with plans and specifications prepared by or under the direct supervision of an architect.

18. Section 7110 of the Code states:

Willful or deliberate disregard and violation of the building laws of the state, or of any political subdivision thereof, or of Section 8550 or 8556 of this code, or of Sections 1689.5 to 1689.15, inclusive, or Sections 1689.10 to 1689.13, inclusive, of the Civil Code, or of the safety laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state, or

of the Subletting and Subcontracting Fair Practices Act (Chapter 4 (commencing with Section 4100 of Part 1 of Division 2 of the Public Contract Code), or violation by any licensee of any provision of the Health and Safety Code or Water Code, relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, constitutes a cause for disciplinary action.

19. Section 7111.1 of the Code states:

The failure of, or refusal by, a licensee to respond to a written request of the registrar to cooperate in the investigation of a complaint against that licensee constitutes a cause for disciplinary action.

20. Section 7113 of the Code states:

Failure in a material respect on the part of a licensee to complete any construction project or operation for the price stated in the contract for such construction project or operation or in any modification of such contract constitutes a cause for disciplinary action.

21. Section 7117 of the Code states:

Acting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter [the Contractors' License Law], constitutes a cause for disciplinary action.

22. Section 7154 of the Code states:

A home improvement contractor who employs a person to sell home improvement contracts while such person is not registered by the registrar as a home improvement salesman as provided in this article, is subject to disciplinary action by the registrar.

COST RECOVERY/RESTITUTION

23. Section 125.3 of the Code provides, in pertinent part, that the Board may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case, with failure of the licentiate to comply subjecting the license to not being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be included in a stipulated settlement.

24. Section 11519, subdivision (d), of the Government Code states, in pertinent part, that the Registrar may require restitution of damages suffered as a condition of probation in the event probation is ordered.

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RJM PROJECT

25. On or about July 10, 2013, RJM entered into a written home improvement contract with S C Anderson Group International Inc, dba Anderson Group International; Steven Scott Anderson, RMO; Steven Curtis Anderson, Officer (Respondent), for restoration and remodeling work at the RJM home located in Carlsbad, California. The contract, in the amount of \$51,824.46, was sold by Respondent's employee Marcus Hackler (Hackler), an unregistered home improvement salesperson. Prior to the contract date, RJM had a slab leak in the kitchen of his home and RJM called Hackler, who was an acquaintance of RJM and who worked for Respondent. The two met and agreed on the scope of work and contract price. The scope of the work included drywall repair, painting, flooring/baseboard/cabinet/countertop installation, plumbing and clean-up. The contract was signed by Hackler, RJM and RJM's wife, LM. Attached to the 4-page contract was a 24-page typewritten estimate with the namestyle "Anderson Group International Restoration and Remediation Contractor Southern California Regional Office 10655 West Vanowen Street, Burbank, CA 91505 Lic # 778068." Respondent used the wrong namestyle and the wrong address of record on the estimate attached to the contract. The typewritten estimate included the following information: "Estimator: Suzanne Thompson" and "Reference Company: Marcus Hackler." Suzanne Thompson (Thompson) is a registered HIS salesperson for Respondent's company.

26. Work began on or about July 12, 2013. Respondent failed to obtain required permits from the City of Carlsbad prior to the commencement of the project. During the project, Thompson was on site every day and acted as the foreman. RJM was under the impression that Hackler was Thompson's boss. Steven Scott Anderson, as the Responsible Managing Officer, failed to exercise direct supervision and control of the project and never showed up at the project while the project was ongoing.

27. Five change orders, dated between July 15, 2013 and October 14, 2013, brought the contract price down to \$26,754.53. All of the change orders contained the wrong namestyle "Anderson Group International Restoration and Remediation Contractor" and all of them were

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1 signed by Thompson and the homeowners. Work was last performed on October 4, 2013. RJM
2 paid Respondent \$26,754.53 and paid subcontractors \$29,31.53, for a total of \$56,126.06.

3 28. Prior to the commencement of the project, RJM had contracted with "Its Fixd," a
4 plumbing contractor, CSLB License No. 870474, to re-pipe and to have the water lines go through
5 the ceiling and over the family room. Also prior to the contract, RJM received bids from painting
6 and texture contractors. Thompson developed a relationship with Its Fixd because, according to
7 RJM, Thompson did not know any plumbing contractors in the area, and Thompson acted as the
8 foreman over Its Fixed and told Its Fixed what work to perform. As to the painting and texture
9 contractors, RJM sent them an e-mail prior to the commencement of the project to let them know
10 that RJM had decided to go with Respondent as the contractor, however, since none of
11 Thompson's preferred vendors showed up, RJM referred these two contractors to Thompson and
12 Thompson hired them. Thompson, however, directed RJM to pay the plumbing, painting, texture,
13 and other contractors directly, even though the work was included in the contract with
14 Respondent. According to RJM, Thompson performed all of the wiring for the lighting and
15 installed the microwave and hired an "Ernie" (Ernesto Santana), the owner of Its Fixd, to install
16 the appliances. Thompson also had RJM pay "Ernie" directly for this work.

17 29. After Respondent left the project, RJM noticed workmanship issues and filed a
18 complaint with the Contractor's State License Board (CSLB). RJM found out that Respondent
19 never pulled any permits for the project, including the electrical work.

20 30. On October 24, 2014, a CSLB industry expert inspected the RJM home and found that
21 some of the work performed by Respondent departed from industry standards, and calculated
22 RJM's financial injury at \$38,876.45. On or about July 16, 2015, RJM filed a lawsuit against
23 Respondent in the San Diego Superior Court, Case No. 37-2015-00023536-CU-BC-NC for civil
24 damages.

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31. In or about February of 2015, Steven Anderson¹ and Hackler came to the RJM home and had a long meeting, during which RJM showed Steven Anderson all of the issues and Steven Anderson and Hackler tried to get RJM to withdraw his complaint.

FIRST CAUSE FOR DISCIPLINE

(Failure by RMO to Exercise Direct Supervision and Control of Project)

32. Respondent has subjected its contractor's license to disciplinary action under Code section 7068.1, in that on the RJM project, Respondent as the RMO failed to exercise direct supervision and control of the project, as is more fully detailed at paragraphs 25-31, which are incorporated here by reference.

SECOND CAUSE FOR DISCIPLINE

(Departure From Accepted Trade Standards)

33. Respondent has subjected its contractor's license to disciplinary action under Code section 7109(a), in that on the RJM project, Respondent willfully departed from accepted trade standards for good and workmanlike construction in the following respects:

a. Respondent failed to consult a registered design professional's directive for alteration of east elevation exterior wall and interior rake wall.

b. Respondent failed to consult a registered design professional for direction regarding alteration of existing framing members.

c. Respondent failed to square at a 90-degree angle the kitchen return wall's mid and base surfaces.

d. Respondent failed to adjust oven range top adjustable base inserts.

e. Respondent failed to re-set the drapery hardware for the family room sliding door.

f. Respondent failed to provide ground fault circuit interrupter device, i.e, dedicated GFCI receptacles for each countertop space receptacle or GFCI breaker in circuit panel to the receptacles along the kitchen countertop surfaces.

/ / /

¹ Unknown which Steven Anderson it was.

1 g. Respondent failed to apply mastic sealant along duct seams of exhaust vent for range
2 hood.

3 h. Respondent failed to splice and contain new electrical connection in a metal or plastic
4 housing in kitchen.

5 i. Respondent failed to affix nailing plates along bored holes in framing members where
6 the bored distance is less than 1-1/4" from the surface of the framing member in kitchen.

7 **THIRD CAUSE FOR DISCIPLINE**

8 **(Wilful or Deliberate Disregard and Violation of Building Laws)**

9 34. Respondent has subjected its contractor's license to disciplinary action under Code
10 section 7110, in that on the RJM project, Respondent failed to obtain building permits from the
11 City of Carlsbad prior to the commencement of the project, as is more fully detailed at paragraphs
12 25-31, which are incorporated here by reference.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 **(Failure to Cooperate in the Board's Investigation)**

15 35. Respondent has subjected its contractor's license to disciplinary action under Code
16 section 7111.1 in that Respondent failed to cooperate in the Board's investigation, as is more fully
17 detailed at paragraphs 25-31, which are incorporated here by reference.

18 **FIFTH CAUSE FOR DISCIPLINE**

19 **(Failure to Complete Project for the Price Stated in the Contract)**

20 36. Respondent has subjected its contractor's license to disciplinary action under Code
21 section 7113, in that Respondent failed in a material respect to complete the RJM project for the
22 contract price and RJM was or will be required to spend a substantial sum in excess of the contract
23 price to complete the project in accordance with the contract, as is more fully detailed at
24 paragraphs 25-31, which are incorporated here by reference.

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1 manager, or qualifying individual of any licensee during the time the discipline is imposed, whether
2 or not he had knowledge or participated in the acts or omissions constituting grounds for
3 discipline, and any licensee which employs, elects, or associates Steven Scott Anderson shall be
4 subject to disciplinary action.

5 42. Steven Scott Anderson, while serving as RMO of S C Anderson International, dba
6 Anderson Group International, had knowledge of and/or participated in the acts or omissions
7 which constitute cause for discipline against said Respondent.

8 PRAYER

9 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
10 and that following the hearing, the Registrar of Contractors issue a decision:

11 1. Revoking or suspending Contractor's License Number 778068 issued to S C Anderson
12 Group International Inc, dba Anderson Group International; Steven Scott Anderson, RMO; Steven
13 Curtis Anderson, Officer;

14 2. Prohibiting Steven Scott Anderson from serving as an officer, director, associate,
15 partner, or qualifying individual of any licensee during the period that discipline is imposed on
16 license Number 778068, issued to S C Anderson Group International Inc, dba Anderson Group
17 International; Steven Scott Anderson, RMO; Steven Curtis Anderson, Officer;

18 3. Revoking or suspending any other license for which Steven Scott Anderson is
19 furnishing the qualifying experience or appearance;

20 4. Ordering restitution of all damages according to proof suffered by RJM as a condition
21 of probation in the event probation is ordered;

22 5. Ordering restitution of all damages suffered by RJM as a result of Steven Scott
23 Anderson's and Steven Curtis Anderson's conduct as contractors, as a condition of restoration of
24 license Number 778068, issued to S C Anderson Group International Inc, dba Anderson Group
25 International Inc; Steven Scott Anderson, RMO; Steven Curtis Anderson, Officer;

26 6. Ordering S C Anderson Group International Inc, dba Anderson Group International;
27 Steven Scott Anderson, RMO; Steven Curtis Anderson, Officer, to pay the Registrar of

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Contractors her costs in the investigation and enforcement of the case according to proof at the hearing, pursuant to Business and Professions Code section 125.3;

7. Ordering S C Anderson Group International Inc, dba Anderson Group International; Steven Scott Anderson, RMO; Steven Curtis Anderson, Officer, to provide the Registrar with a listing of all contracting projects in progress and the anticipated completion date of each;

8. Taking such other and further action as deemed necessary and proper.

DATED:

11/9/2016



WOOD ROBINSON
Enforcement Supervisor I
Contractors' State License Board
Department of Consumer Affairs
State of California
Complainant

VLT

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